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In the Supreme Court of the United States

OCTOBER TERM, 1947

No. 695

UNITED STATES OF AMERICA, APPELLANT

v.

CONGRESS OF INDUSTRIAL ORGANIZATIONS, PHILIP MURRAY, OFFICER THEREOF

ON APPEAL FROM THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA

APPENDIX TO BRIEF FOR THE UNITED STATES

LEGISLATIVE REPORTS AND DEBATES ON SECTION 304 OF THE LABOR-MANAGEMENT RELATIONS ACT, 1947

PROCEEDINGS IN THE HOUSE

The provision was introduced by Mr. Hartley in the House of Representatives on April 10, 1947, H. R. 3020, 80th Congress, 1st Session, in the following form:

RESTRICTION ON POLITICAL CONTRIBUTIONS

Sec. 304. Section 313 of the Federal Corrupt Practices Act, 1925 (U. S. C., 1940

edition, title 2, sec. 251; Supp. V, title 50 App., sec. 1509), as amended, is amended to read as follows:

"Sec. 313. It is unlawful for any national bank, or any corporation organized by authority of any law of Congress, to make a contribution or expenditure in connection with any election to any political office, or in connection with any primary election or political convention held to select candidates for any political office, or for any corporation whatever, or any labor organization, to make a contribution or expenditure in connection with any election at which Presidential and Vice Presidential electors or a Senator or Representative in, or a Delegate or Resident Commissioner to Congress are to be voted for, or in connection with any primary election or political convention held to select candidates for any of the foregoing offices, or for any candidate, political committee, or other person to accept or receive any contribution prohibited by this section. Every corporation or labor organization which makes any contribution or expenditure in violation of this section shall be fined not more than $5,000; and every officer or director of any corporation, or officer of any labor organization, who consents to any contribution or expenditure by the corporation or labor organization, as the case may be, in violation of this section shall be fined not more than $1,000 or imprisoned for not more than one year, or both. For

the purposes of this section 'labor organization' shall have the same meaning as under the National Labor Relations Act."

The Committee Report on the Labor-Management Relations Act, 1947, to accompany H. R. 3020 by Mr. Hartley, from the House Committee on Education and Labor, Report No. 245, describes this provision on page 46.

> Section 304 places on a permanent basis the provisions which were contained in the War Labor Disputes Act whereby labor organizations were prohibited from making political contributions to the same extent as corporations. In addition this section extends the prohibition, both in the case of corporations and labor organizations, to include expenditures as well as contributions. Moreover, expenditures and contributions in connection with primary elections and political conventions are made unlawful to the same extent as those made in connection with the elections themselves.

A minority of the House Committee made the following report on Section 304. Report No. 245, p. 111.

> 4. RESTRICTIONS ON POLITICAL CONTRIBUTIONS
>
> Section 304 of this bill would place all corporations and labor organizations within the provisions of the Federal Corrupt Practices Act forbidding contributions in connection with any election of the Presi-

dent, Vice President, Representative, or Senator.

This provision poses a serious policy issue as to the desirability of placing this restriction on political liberties in the absence of a clear showing of opportunity for corruption. Furthermore, the restriction is one-sided. While it includes corporations, along with the labor organizations, it does not include officers in either. Thus, in view of the tremendous sums paid to officials of large corporations, it would seem that they are able to contribute to an election fund as individuals, while officials of labor organizations, because of their moderate salaries, would not be able to do so.

Further, it is well to note that the essential purposes of the two types of organizations are not parallel. A corporation of the type in mind here, is an organization for production of goods or rendering of services, organized for profit. The stockholders have a reasonable right to profits and notification of company disbursements. A labor organization is a voluntary organization for the well-being of the individual worker. If he contributes directly to a political party, or if he contributes through a voluntary organization, to facilitate the handling of such sums, the result is the same. Consequently, there seems to be nothing reprehensible in contributions by a union when it is a lump sum made up of small voluntary contributions by indi-

viduals. It is not derived from any profits, such as is corporation contributions.

It would seem to be a dangerous precedent to make unlawful a contribution by a voluntary organization to an election fund. It might well be that if such precedent is followed, in time all organizations, of whatever kind or nature, might be prohibited from such contribution. It is difficult to see the advisability of setting a precedent for a future pattern that could conceivably encompass organizations which are purely charitable, or religious, or fraternal in their nature and aims. Such a restriction upon a voluntary association, a labor organization, composed of individuals of modest means, who by their very association with a labor organization demonstrate their inability to contribute large sums to an election fund has little or no merit.

During the House debates, the following statements relative to Section 304 were made:

(93 Cong. Rec. 3428)

Mr. HOFFMAN. * * * Unfortunately, as so often happens when a law is unfair, the unions prospered unduly under that law. They took in millions of new members. They collected millions upon millions of dollars. Just a little while ago, two years ago, at a convention in New Jersey, the teamsters, Dan Tobin's union, boasted that it had $4,000,000 in cash, that it had $5,000,000 in bonds. It also authorized its

executive board, or rather, its president, Dan Tobin, to spend any part of the $4,000,000 in cash to defeat Congressmen. It forgot the labor field and the employee and dropped over into politics. And some unions and the PAC did their dirtiest to intimidate and coerce Congress and individual Members of Congress.

(93 Cong. Rec. 3522)

Mr. MILLER of California. Mr. Chairman, section 304 of H. R. 3020 deals with restrictions on political contributions. It amends section 313 of the Federal Corrupt Practices Act of 1925 to make it unlawful for a corporation or labor organization not only to make a "contribution" but also an "expenditure" in connection with any election at which Presidential or Vice Presidential electors or a Senator or a Representative in, or Delegate or Resident Commissioner to, Congress are to be voted for. Contributions or expenditures made "in connection with any primary election or political convention held to select candidates for any of the foregoing offices" are likewise made unlawful and punishable by a fine of not more than $5,000 or a fine or imprisonment of officers of the corporation or labor organization who consent to any unlawful contribution or expenditure. The present suggested amendment would make permanent, in broadened form, the restrictions on political contributions by labor organi-

zations imposed by the War Labor Disputes Act of 1943, soon to expire.

There are a number of reasons why I am opposed to this provision of the bill:

First. The prohibition against political activities of unions has no relevancy in a bill purporting to adjust labor-management relations and to minimize industrial strife. The task of investigating contributions and expenditures in Federal election compaigns constitutes a complex and entirely separate field of legislative activity and has been so recognized by the Congress in the passage of Federal Corrupt Practices Act of 1925, and the Hatch Political Activities Act approved August 2, 1939. To inject issues concerning political activities into a bill of the kind now under consideration would harm not help the cause of stabilized labor-management relations.

Second. If such prohibitions are to be imposed upon the political activities of labor organizations, the same prohibitions should be imposed upon employer associations such as the National Association of Manufacturers or the Chamber of Commerce. Similarly, unincorporated organizations should be included within the scope of such prohibitions. If the bill seeks to bring about equality of treatment to management and the associations which represent it in dealing with labor and labor organizations, certainly it would seem inconsistent with the purpose of the bill to

restrict only the political activities of labor organizations.

Third. The evil which the prohibition seeks to correct is in fact nonexistent. The widespread activity of the Political Action Committee of the CIO in the elections of 1943 and 1944 was the signal for a furious campaign against it in the press and in Congress. Demands were made upon Congress for an investigation on the ground that the Corrupt Practices Act as amended by the Smith-Connally Act was being violated. In the midst of this furor the Senate Special Committee to Investigate Presidential, Vice Presidential and Senatorial Campaign Expenditures in 1944 was convened for the purpose of hearing testimony by the chairman of the Political Action Committee. A majority of the special committee found no violation of the Corrupt Practices Act on the part of the Political Action Committee and the Attorney General discovered no violation of the Criminal Provisions Act after investigations initiated at the request of several Members of Congress—Senate Report No. 101, page 23, Seventy-ninth Congress, first session.

Fourth. Even if the evil which is attacked in the bill did exist, the method of prohibitions and sanctions is unsound and unworkable. The special committee established by Senate Resolution 263, Seventy-eighth Congress, second session, after long and careful consideration of the subject

and after hearing much testimony, came to the following conclusion:

The committee as a result of its investigations unanimously came to the conclusion that prohibitions and sanctions had failed to prevent pernicious political activity in Federal elections. They concluded that free and prompt publicity as to campaign contributions and expenses would be more likely to achieve the desired result. Therefore its recommendations as set forth above stress the reduction of prohibitions and the increase of publicity. (S. Rept. 101, p. 83, 79th Cong., 1st sess.)

Fifth. Assuming, however, that the evil did exist and that a prohibition against contributions was a sound method of combating the abuse, the extension of the prohibition beyond contributions to expenditures is an unwarranted limitation on the rights of freedom of speech, press, and assembly. In considering a recommendation for an amendment to section 313 of the Corrupt Practices Act to prohibit not only contributions but also expenditures, a majority of the Senate's special committee on campaign expenditures rejected the recommendation for the following reasons:

The extension of the prohibition to include expenditures would tend to limit the rights of freedom of speech, freedom of the press, and freedom of assembly as guaranteed by the Federal Constitution. The in-

vestigations which the Committee has made brought out the fact that many organizations claiming to be educational are claimed by others to be purely political. The line of demarcation is difficult if not impossible to draw since it depends to a considerable extent upon human motives. An expenditure made in connection with an election may well be for the publication of pamphlets or newspaper articles or speeches justifying the point of view of the organization paying for it. An editorial in a newspaper states its position. The reproduction of that editorial in the form of a pamphlet or a speech based on that pamphlet may state the position of the organization paying for it. Free discussion of political questions should be encouraged, not prohibited. (S. Rept. 101, p. 83.)

Sixth. The effort to restrain labor organizations from using their funds for the support of political parties in England proved to be unworkable. The effect of the decision of the House of Lords in *Amalgamated Society of Railway Servants* v. *Osborne* (1910 A. C. 87) was to restrain a trade-union from using its funds for political activities. Such funds had been used to support the new Labor Party that had counted so heavily in the general election of 1906, but the Trade-Unions Act of 1913 corrected this limitation imposed upon trade-union activities, and funds could thereafter be devoted to the furtherance of political objectives if they had re-

ceived authority for that purpose from the members of the union. Even the restrictive Trade Disputes and Trade-Unions Act of 1937 (sic) following the overthrow of the Labor Government, did not prohibit unions from using funds for political purposes. At most it required an assent from each trade union member as a condition precedent to the legality of a levy upon him for funds for legal purposes. Passage of section 304 of the present bill would mean that we would have taken a more restrictive position against labor organizations in this respect than even the most restrictive piece of British legislation.

Seventh. There is no justification for treating labor organizations on the same basis with corporations for this purpose. The $5,000 limitation by the Hatch Act upon individual contributions to political committees has been ineffective as against corporations because its officers, directors, and members of families having controlling interests in these corporations can afford to make large contributions distributed to a large number of State, local, and independent committees.

Thus we find that 31 members of the du Pont family contributed $109,832.83 to various political organizations for political

(93 Cong. Rec. 3523)

purposes. Five members of the McCormick family contributed $28,000; six Mel-

lon family members contributed $59,500 and nine Pew family members made a total contribution of $96,995.76. See appendix 8, Tabulation of Contributions by Prominent Family Groups, Senate Report No. 101, pages 140–151. Neither wage earners who have associated themselves into a labor organization nor members of their families are in a position to make such contributions for political purposes. The necessary interest of the wage earner in the vital questions of taxation, housing, rent, and price control, full employment, minimum wages, health, education, the elimination of discrimination in employment, and other legislative matters which affect him and his family and in fact the entire community can be expressed effectively only in combination with his fellow wage earners acting through their unions. They alone have the resources and facilities to support measures and candidates which will act in labor's interest so often synonomous with the interests of the community as a whole. Restrictions upon political activity by limiting political contributions of trade-unions creates rather than eliminates a social evil. It should not be injected into the consideration of a bill to adjust labor-management relations.

(93 Cong. Rec. A–3640)

Mr. PACE. * * * Section 304 of the law seeks to prohibit all corporations and

labor organizations from making contributions or expenditures in connection with Federal elections, primaries, political conventions, and so forth. This was not intended by the Congress to prohibit newspapers or the regular publications of employers and labor organizations from publishing freely and full news and views with regard to candidates and elections, and their approval or opposition to condidates. It is reported that the Attorney General is inclined to rule that this section would prohibit the publication of such news and views, and so forth. If such interpretation is correct, then this section would be a serious infringement of the right of free speech and free press, and the Congress should and probably will promptly modify this section accordingly.

The report of the Conference Committee on the disagreeing votes of the two Houses on the Senate Amendments to H. R. 3020, contains the following statement relative to Section 304.

RESTRICTIONS ON POLITICAL CONTRIBUTIONS

Section 304 of the House bill contained a provision placing on a permanent basis the provisions which were contained in the War Labor Disputes Act, whereby labor organizations were prohibited from making political contributions to the same extent as corporations. In addition, this section extended the prohibition, both in the case of corporations and labor organi-

nations, to include expenditures as well as contributions. Moreover, expenditures and contributions in connection with primary elections and political conventions were made unlawful to the same extent as those made in connection with the elections themselves. There was no comparable provision in the Senate amendment. The conference agreement adopts the provisions of the House bill, with one change. Under the conference agreements expenditures and contributions in connection with primary elections, political conventions, and caucuses are made unlawful to the same extent as those made in connection with the elections themselves. As a clarifying change the definition of a labor organization has been set forth in full rather than incorporating the provisions of the National Labor Relations Act. (Report No. 510, to accompany H. R. 3020, pp. 67–68.)

PROCEEDINGS IN THE SENATE

During the Senate debates the following statements relative to Section 304 were made.

(93 Cong. Rec. 6436)

Mr. TAFT. * * * As to the prohibition of political contributions by labor unions, it should be remembered that after the expiration of the Smith-Connally Act, on June 30, the current prohibition of political contributions by labor unions will cease to be a part of the Federal law

unless new legislation is enacted. The Senate passed the Smith-Connally Act and approved it, with that provision in it, by a 2-to-1 vote. That provision was not in the Senate bill and was not considered by the Senate.

* * * * * *

Mr. PEPPER. I have noted that the Senator did not refer to the action which I understand the conference committee took prohibiting expenditures by labor organizations and, of course, expenditures by corporations, for political purposes. The way the provision now reads, as related to labor organizations, as I see on page 67 of the report, it is unlawful for any labor organization to make expenditures and contributions in connection with primary elections and political conventions. Under the conference agreements expenditures and contributions in connection with primary elections, political conventions, and caucuses are made unlawful to the same extent as those made in connection with the elections themselves.

I wish to ask the Senator, if I may, this question: Would the newspaper called Labor, which is published by the Railway Labor Executives, be permitted to put out a special edition of the paper, for example, in support of President Truman, if he should be the Democratic candidate for the Presidency next year, and in opposition to the Senator from Ohio, if he should be the

Republican nominee for the Presidency, stating that President Truman was a friend of labor and that the Senator from Ohio was not friendly to labor? Would that be called a political expenditure on the part of the labor organization?

Mr. TAFT. If it were supported by union funds contributed by union members as union dues it would be a violation of the law, yes. It is exactly as if a railroad itself, using its stockholders' funds, published such an advertisement in the newspaper supporting one candidate as against another. If the paper called Labor is operated independently, if it derives its money from its subscribers, then of course there would be no violation. The prohibition is against a labor organization using its funds either as a contribution to a political campaign or as a direct expenditure of funds on its own behalf.

Mr. PEPPER. Mr. President, will the Senator yield further?

Mr. TAFT. I yield further to the Senator.

Mr. PEPPER. Has the committee given consideration to whether or not that kind of a prohibition would be a denial of the freedom of the press to a newspaper which might happen to be owned by a labor organization?

Mr. TAFT. It is not a denial of the freedom of the press. It applies only if the labor organization operates the paper

and uses union dues for that purpose. We have long prohibited corporations from contributing money to political campaigns. The conference report simply writes into the corporation provision a similar provision affecting labor organizations. As I said, we have long prohibited corporations from contributing money for political purposes, and it was always supposed that the law prevented a corporation from operating newspapers for that purpose or advertising in newspapers for that purpose, until labor organizations were included in the Smith-Connally Act, and then it was said that the law prohibited contributions, but that political advertisements and political pamphlets could be published by the union or corporation itself.

So what we are proposing to do is to subject labor organizations to exactly the same prohibition to which corporations have been subjected, and, so far as I know, including the things which I think the original law covered but regarding which doubt was raised by labor organizations.

Mr. PEPPER. Mr. President, will the Senator yield further?

Mr. TAFT. I yield.

Mr. PEPPER. Does the Senator from Ohio mean to tell the Senate that a corporation owning a newspaper cannot have a free editorial policy to oppose candidates and to oppose political parties according to its own judgment?

Mr. TAFT. Not if it used its corporate funds for that purpose, instead of running a newspaper as a business. If it did it would be prosecuted immediately under the Federal law.

Mr. PEPPER. Does the Senator know how a newspaper published by a corporation can get any money to provide editorials for the paper if it does not get it from the corporate treasury?

Mr. TAFT. They get their money from advertising. They are business concerns operating newspapers. So far as I know no one has ever thought that a corporation could publish a pamphlet for one candidate as against another without violating the Corrupt Practices Act. No one has ever considered that could be done. They could not publish a special newspaper for that purpose under the previous law, because the previous law prohibited any contribution, direct or indirect, in connection with any election at which a man was a candidate for public office. We have not changed the law in that respect. We only make it clear that an expenditure for that purpose is the same as an indirect contribution, which, in my opinion, has always been unlawful.

Mr. PEPPER. I wonder if the Senator, upon reflection, really means that the newspapers of this country which are owned by corporations cannot publish an extra paper if they want to oppose some candidate or cannot put out a whole special edition giving

their view about a political party or a political candidate. That is one of the civil rights in this country. Does not the Senator know that it would be unconstitutional to try to deprive a corporation owning a newspaper of the right of freedom of the press. If that be the correct premise—and I think it cannot be denied that it is—is not the Senator denying to the labor organization which may happen to own a newspaper the right to the same freedom of the press to support or oppose candidates and political parties which other newspapers enjoy? Yet the Senator from Ohio says that the newspaper Labor, published by the 21 railway labor executives, would not be permitted to publish a statement saying that it supported President Truman and op-

(93 Cong. Rec. 6437)

posed Candidate Taft, or vice versa. I say that would be a deprivation of the freedom of the press.

Mr. TAFT. No; I said that union funds could not be used for that purpose. They could conduct a newspaper if they wanted to, just as a corporation can conduct a newspaper. But why should a labor organization be able to publish pamphlets or special newspapers against one candidate or in favor of another candidate, using funds which that organization collected from the union members?

That is what happened in the State of Ohio. The PAC is a separate organization

which raises its own funds for political purposes, and does so perfectly properly. The Smith-Connally Act prohibited the making of contributions by unions to the PAC, yet those unions took the position that they could use their funds for the publication of pamphlets for or against candidates throughout that election, and they evaded the entire law by saying that was not a contribution—not even an indirect contribution—to the candidate who received the benefit of that procedure. That is what this provision of the House bill is intended to reach, if it be agreed to.

Mr. PEPPER. Mr. President, I call the attention of the Senator from Ohio to the following practice of the railway labor executives in the past: If a certain candidate was unfriendly to the interests of labor, they would publish a special edition of their paper and would put that special edition into circulation in the area where that candidate was running for office, and would place it in the hands of labor-union members and also in the hands of the public generally.

Mr. TAFT. That is exactly what they should not be allowed to do.

Mr. PEPPER. Very well; I want it definitely understood that the Senator from Ohio intends to outlaw that privilege on the part of labor. Now that I have that clear——

Mr. TAFT. It is perfectly clear. It is perfectly clear that union funds are not to

be used to interfere in political campaigns and with political candidates, either in favor of one candidate or against another candidate. That same prohibition extends against the railroads for which the union members work. For years the railroads have been prohibited from doing anything of that kind, and this provision would simply extend to labor unions the prohibition which has been applied against corporations for a long time.

Mr. BARKLEY. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER. (Mr. Wiley in the chair.) Does the Senator from Ohio yield to the Senator from Kentucky?

Mr. TAFT. I yield.

Mr. BARKLEY. Suppose the particular publication referred to by the Senator from Florida is published and paid for by subscriptions paid to the publication by the membership of that railway labor organization?

Mr. TAFT. That will be perfectly lawful. That is the way it should be done.

Mr. BARKLEY. And suppose it is not paid for by union funds collected from the various labor unions?

Mr. TAFT. That will be perfectly proper.

Mr. BARKLEY. Would that still be prohibited?

Mr. TAFT. No; it would not be.

Mr. BARKLEY. The Senator has referred to the law which now prohibits corpora-

tions from making contributions to political campaigns.

Mr. TAFT. That is not the way the law is now.

Mr. BARKLEY. The Senator from Ohio referred to the law prohibiting the making of direct or indirect contributions by corporations as a justification for making the same provision in the case of labor unions. Let us consider the publication of a corporation which, day after day, takes a position against one candidate and in favor of another candidate, and does so in its editorials. The editorials occupy space in that newspaper or publication, and the space costs a certain amount of money. Is that a direct or an indirect contribution to a campaign; and if it is neither, what is it?

Mr. TAFT. I would say that is the operation of the newspaper itself.

Mr. BARKLEY. That is true; it is the operation of the newspaper. But I gathered the impression that in referring to the present law prohibiting the making of contributions, directly or indirectly by corporations, the Senator inferred that if a corporation publishes a newspaper—as most of them do—and uses the editorials in that publication in advocacy of or opposition to any candidate, at least that is a direct contribution to the campaign. It could not be anything else.

Mr. TAFT. I do not think it is either a direct or an indirect contribution. I do

not think it is an expenditure of the sort prohibited, because it seems to me it is simply the ordinary operation of the particular corporation's business.

Mr. BARKLEY. None of us have ever assumed that the Corrupt Practices Act prevented a newspaper from writing editorials for or against any candidate.

Mr. TAFT. That is correct.

Mr. BARKLEY. Yet the Senator from Ohio is saying that law is applicable to corporations, and is saying that that is a basis for doing the same thing with respect to labor organizations which may publish newspapers.

Mr. TAFT. It never has been applied to newspapers. I say that under the Smith-Connally Act I do not think a labor organization itself should be permitted to use union funds to make such a contribution. I do not think that would be permitted under the provision to which we are now referring. I think it was clearly unlawful under the Smith-Connally Act.

As a matter of fact, the investigating committee of which the Senator from Rhode Island [Mr. Green] was chairman, requested the Attorney General to bring suit to determine the meaning of these words. I think the committee took the position that such a direct expenditure by a labor union was illegal under the Smith-Connally Act, and directed the Attorney General to bring suit to determine that

question. But the Attorney General always avoided bringing such a suit, and failed to do so.

In my opinion, the word "contribution" covers the direct expenditure of money for the same political purpose. But in order to make that matter perfectly clear, the House inserted the word "expenditure" in this measure.

Mr. BALL. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. BALL. Two years ago, I was a member of the committee which was headed by the Senator from Rhode Island [Mr. Green], as I recall. We ran into expenses on the part of corporations, as well as unions, in cases in which by making direct expenditures, as well as contributions, they certainly violated the spirit and intent of the Corrupt Practices Act. I know of one newspaper in my section of the country which makes a practice of printing hundreds of thousands of special reprints and sending them into various States, to influence the elections. I think that is prohibited, just as the practice of the labor paper to which the Senator from Florida has referred—the sending of a special edition of 200,000 or more copies into a State—would also be prohibited.

Mr. TAFT. I would say the word "expenditure" does not mean the sale of newspaper for money for their worth. If they are sold to subscribers and if the newspaper

is supported by subscriptions, then I would not say that constituted such an expenditure. But if the newspapers were given away—even an ordinary newspaper—I think that would violate the Corrupt Practices Act. That act would be violated, it seems to me, if such a newspaper were given away as a political document in favor of a certain candidate. I think that would have been so under the present law, and I think we make it more clearly so, perhaps, by this measure.

Mr. BARKLEY. Mr. President, let me ask the Senator this question: Let us suppose a labor organization publishes a newspaper for the information and benefit of its members, and let us suppose that it is published regularly, whether daily or weekly or monthly, and is paid for from a fund created by the payment of dues into the organization it represents. Let us assume that the newspaper is not sold on the streets, and let us assume further that a certain subscription by the month or by the year is not charged for the newspaper. Does the Senator from Ohio advise us that under this measure such a newspaper could not take an editorial position with respect to any candidate for public office without violating this measure?

Mr. TAFT. If it is supported by union funds, I do not think it could. If the newspaper is prepared and distributed and circulated by means of the expenditure of

union funds, then how could a line be drawn between that and political literature or pamphlets or publications of that nature? It is perfectly easy for a labor union to publish lawfully a bona fide newspaper and to charge subscriptions for that newspaper, either by itself or as a corporation.

Mr. BARKLEY. So if there is a labor organization which is publishing a newspaper—not as a political newspaper, but for the benefit of its members—and if

(93 Cong. Rec. 6438)

the expenses of that publication and distribution are paid from the funds raised by means of the payment of dues, and if all members of the union understand that a certain portion of their dues goes to the publication of that newspaper, then in order for that newspaper to take any position with respect to any candidate, it would have to charge a subscription by the month or by the year, in order that it might express its views in that respect; is that so?

Mr. TAFT. I am inclined to think so, just as a corporation gets out regular house organs to its members, and if that corporation interferes in a political election through one of those house organs it violates the Corrupt Practices Act. In my opinion, that has been unlawful for years, so far as that is concerned. No corporation in this country would dare to do it under the Corrupt Practices Act which has been in force for many years.

Mr. BALL. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield to the Senator from Minnesota.

Mr. BALL. In the case of most union papers, as I understand, the subscriptions from the union members are collected along with the dues, but they are an earmarked portion of the dues which the union collects and remits to the paper in the form of subscriptions. I take it that would be in a different category from the case where the union makes a blanket subscription and an appropriation out of union dues.

Mr. TAFT. I think if the paper is, so to speak, a going concern, it can take whatever position it wants to.

Mr. PEPPER. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield to the Senator from Florida.

Mr. PEPPER. Suppose there were a case where a number of corporations associated themselves together into an organization we will call the National Manufacturers Association, and suppose the funds of that organization are altogether contributed by corporate memberships. Is that organization, under this section, forbidden to publish any pamphlet, or send any telegrams, or make any telephone calls, or incur any expenditures, in respect to any political election of any party, or any candidate, or any caucus, or any convention?

Mr. TAFT. I think it would be. It would be a general conspiracy, I think, and would be a clear violation by all the corporations which contributed the money. Such an association could receive money by direct contributions from individual members, just as the CIO-PAC can properly operate as a political organization, raising its funds from individual members. In the same way the National Manufacturers Association could do the same thing. But no corporation could contribute to the National Manufacturers Association, and no labor union could contribute to the PAC.

Mr. PEPPER. The Senator is using the word "contribute." My reason for emphasizing this matter is that the conference committee has added two very important and I think very significant words. The old law, the Smith-Connally law, which has been reenacted, prohibited only contributions, but the proposed law prohibits a contribution "or expenditure" without any definition of "expenditure." That means a dollar, or 50 cents, or $500 or $1000.

Will the distinguished Senator from Ohio yield for another question?

Mr. TAFT. I yield.

Mr. PEPPER. Suppose a labor union felt that a candidate for office was unfair to labor, and that labor union wished to put out a pamphlet to advise its members about the labor record of the candidate. I ask the Senator from Ohio whether that would be forbidden as an expenditure by a labor

organization in respect to a candidate or an election, under the proposed act?

Mr. TAFT. Yes, I think it would be.

Mr. PEPPER. So a workingman's organization would be deprived the power even of advising its membership of the antilabor record of a man who might be a candidate for public office?

Mr. TAFT. Correct. Let me read the Senator the act which has been in force right along:

"It is unlawful for any national bank, or any corporation organized by authority of any law of Congress, to make a contribution in connection with any election to any political officer, or for any corporation whatever, or any labor organization to make a contribution in connection with any election"——

To make a contribution in connection with any election——

"at which Presidential and Vice Presidential electors or a Senator or Representative in Congress * * * are to be voted for."

That is the existing law.

Mr. PEPPER. It did not include the word "expenditure."

Mr. TAFT. No, it did not include the word "expenditure"; but what would the law mean if a corporation or a labor organization were prohibited from contributing to candidate X, but in spite of that, could issue its own papers, could print its

own pamphlets, and issue them in behalf of candidate X?

Mr. PEPPER. The Senator is overlooking the distinction that exists in every corrupt practice act I know anything about. When in our several States we run for the office of Senator we are limited to the amount of contributions we personally make, or are responsible for, but if I have a friend in the southern part of the State, who wants to put out some pamphlets for me, and distribute them over the community, he has a perfect right to do so.

Mr. TAFT. If the Senator had had a friend who was a corporation and had done that, the corporation officials would have been in jail long ago.

Mr. PEPPER. Yes; but if one of the corporations owns a newspaper, directly or indirectly, that is just what they are doing all the time.

Mr. TAFT. They have been able to sell legitimate newspapers and distribute them without question. They do not distribute corporation funds for that purpose.

Mr. BARKLEY. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield.

Mr. BARKLEY. In the interest of clarification, because I am assuming the Senator understands his own bill——

Mr. TAFT. It is a House bill.

Mr. BARKLEY. And the Senator always gives me a frank answer—inasmuch as the National Association of Manufacturers has

been mentioned, and the United States Chamber of Commerce, and, I might add, the Automobile Chamber of Commerce, I submit that the National Association of Manufacturers does not manufacture anything, the United States Chamber of Commerce does not sell anything, and the Automobile Chamber of Commerce does not manufacture or sell anything. All their funds are contributed by individual members, by way of corporations, who belong either to the National Association of Manufacturers, the United States Chamber of Commerce, or the Automobile Chamber of Commerce. They do not contribute their funds to these organizations primarily for political purposes. But suppose the National Association of Manufacturers, out of the funds contributed to it, bought a page in a newspaper, and advertised for or against some candidate, or the United States Chamber of Commerce did the same thing, or the Automobile Chamber of Commerce did the same. Would they be prohibited, under the present law, or under the conference bill, out of funds contributed by corporations into the general fund of the association, from buying newspaper space to advocate or oppose a candidate for public office, directly or indirectly; and when I say "indirectly," I mean use the space in order to advocate certain things advocated by some candidates or opposed by other candidates, without mentioning the names of the candidates.

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Mr. TAFT. Of course, if the Chamber of Commerce were a corporation, as I think it is, it would be clearly illegal. In any event, so long as the money comes from corporations, and with their knowledge, I think it would be clearly illegal anyway, and they would be participating as corporations in spending for political purposes.

Mr. BARKLEY. I understand these organizations have a regular schedule of dues which are paid into the general fund by constituent members. They are not collected for political purposes, but I recall that last summer there were widespread advertisements in the newspapers of the United States, consisting of whole pages, under the names of some of these organizations. I do not know to what extent they affected anyone's vote, but they definitely had an indirect effect, and I have no doubt that they cost hundreds of thousands of dollars. Was that a violation of the law?

Mr. TAFT. The question there would be whether or not it was in connection with a Federal election.

Mr. BARKLEY. Those advertisements were very skillfully drawn, and they had no specific reference to anyone's candidacy.

Mr. TAFT. The language of the law is: "for any corporation or any labor organization to make a contribution or expenditure in connection with any election at which Presidential candidates are

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to be voted for." The question would be whether it was in connection with such an election.

As to the association itself, it seems to me the conditions are exactly parallel, both as to corporations and labor organizations. Such an association receiving corporation funds and using them in an election would violate the law, in my opinion, exactly as the PAC, if it got its fund from labor unions, would violate the law. If the labor people should desire to set up a political organization and obtain direct contributions for it, there would be nothing unlawful in that. If the National Association of Manufacturers, we will say, wanted to obtain individual contributions for a series of advertisements, and if it, itself, were not a corporation, then, just as in the case of PAC, it could take an active part in a political campaign. But the prohibition is against a labor organization or a corporation participating in an election either by a contribution to somebody else or by direct expenditure of its own funds. That has been understood to be the law of corporations for many years, and until labor organizations were placed under the terms of the Smith-Connally Act, no one supposed that corporations could make direct expenditures without it being considered a contribution. But after the labor organiza-

tions were included, that question was raised. In order that it might be finally resolved in this bill, we made it perfectly clear that it covers either a contribution to somebody else or an expenditure of one's own funds for the same purpose, in connection with an election.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the senator from Florida.

Mr. PEPPER. I wanted to be sure I understood the Senator about the association. If the members of a trade association are all corporations, although they make no contributions to anyone's campaign fund, would the association be able to use its funds for any political expenditure?

Mr. TAFT. In my opinion, they would be participating in the expenditure by those corporations of funds for political purposes and would violate the law.

Mr. PEPPER. Will the Senator allow one other question?

Mr. TAFT. I yield.

Mr. PEPPER. Does what the Senator has said in the past also apply to a radio speech? If a national labor union, for example, should believe that it was in the public interest to elect the Democratic party instead of the Republican party, or vice versa, would it be forbidden by this proposed act to pay for any radio time, for anybody to make a speech that would

express to the people the point of view of that organization?

Mr. TAFT. If it contributed its own funds to get somebody to make the speech, I would say they would violate the law.

Mr. PEPPER. If they paid for the radio time?

Mr. TAFT. If they are simply giving the time, I would say not; I would say that is in the course of their regular business.

Mr. PEPPER. What I mean is this: I was not assuming that the radio station was owned by the labor organization. Suppose that in the 1948 campaign, Mr. William Green, as president of the American Federation of Labor, should believe it to be in the interest of his membership to go on the radio and support one party or the other in the national election, and should use American Federation of Labor funds to pay for the radio time. Would that be an expenditure which is forbidden to a labor organization under the statute?

Mr. TAFT. Yes.

Mr. PEPPER. He would be denied the right to do that?

Mr. BARKLEY. Mr. President, may I ask the Senator one other question?

Mr. TAFT. I yield to the Senator from Kentucky.

Mr. BARKLEY. Suppose a certain corporation, for instance, the corporation that makes Bayer aspirin, or Jergens lotion, or any other well-advertised product, employs

a commentator to talk about various things, winding up with an advertisement of the product, and suppose that the radio commentator from day to day takes advantage of his employment or his sponsorship to make comments which are calculated to influence the opinions of men or women as to political candidates. Would the corporation sponsoring the particular commentator be violating the law?

Mr. TAFT. I should have to know the exact facts. If, for instance, apart from commentators and the radio, and taking the case of a paid advertisement, suppose a corporation advertises its products, and that every day for 2 weeks before the election it advertises a candidate, I should say that would be a violation of the law. I would say the same thing probably would be true of a radio broadcast of that kind, under certain circumstances, but I think I should like to know the exact facts before expressing an opinion.

Mr. BARKLEY. In the case of a commentator who is paid to advertise a certain product, and who in the course of his 15 minutes on the radio may also seek to influence votes, the sponsor may say, either before or after the broadcast, that he is not responsible for what the commentary says; yet he is paying the commentator for his broadcast. Would that still be a violation of law, although the sponsor might excuse himself or attempt to excuse himself by saying he was not responsible for

the opinions expressed by the commentator?

Mr. TAFT. I think there are all degrees. It would be for a court to decide. I think as a matter of fact, if that had happened under the old law, there would have been the same question.

I want to make the point that we are not raising any new questions here. Those same questions could have been raised with respect to corporations during the past 25 years. It is a question of fact: Was the corporation using its money to influence a political election?

Mr. BARKLEY. We are rewriting, or substantially rewriting, the National Labor Relations Act and also the Corrupt Practices Act. Nobody can tell how things are going to be interpreted in the future.

Mr. TAFT. I may say that the amendment is in exactly the same words which were recommended by the Ellender committee, which investigated expenditures by Senators in the last election. That committee, Republicans and Democrats, in connection with the bill which was introduced by the Senator from Louisiana (Mr. Ellender), used exactly the same words that are found in the amendment; so that this is nothing new. A debate similar to this took place on the Smith-Connally Act. In this instance the words of the Smith-Connally Act have been somewhat changed in effect so as to plug up a loophole which obviously developed, and which, if the courts had permitted advantage to be taken of it, as a

matter of fact, would absolutely have destroyed the prohibition against political advertising by corporations. If "contribution" does not mean "expenditure," then a candidate for office could have his corporation friends publish an advertisement for him in the newspapers every day for a month before election. I do not think the law contemplated such a thing, but it was claimed that it did, at least when it applied to labor organizations. So, all we are doing here is plugging up the hole which developed, following the recommendation by our own Elections Committee, in the Ellender bill.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from Washington.

Mr. MAGNUSON. As I understand, the wording as it applies to labor unions and corporations is now the same. Is that correct?

Mr. TAFT. Exactly; yes.

Mr. MAGNUSON. But the conference committee have added to both the word "expenditure"?

Mr. TAFT. The Senator is correct.

Mr. MAGNUSON. In order to determine the meaning of that, let us assume a concrete example. The International Brotherhood of Teamsters have a newspaper, which they have published for many years. It has a circulation of probably 200,000. It is distributed to members. On the newstand,

no price appears on it. No advertisements are accepted. Under this prohibition, would they be prohibited in the future from mentioning in their editorial columns, for their regular circulation, without adding anything additional, the support of a certain candidate or a certain political party?

Mr. TAFT. We discussed that. We discussed the question of whether or not that newspaper was supported in effect by contributions of corporations or labor organizations, or was paid for by the people who received it. If the latter, I do not think it was an expenditure of union funds or contributions, but if the union simply takes the union funds and publishes a newspaper and uses it as a

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political organ in an effort to elect or to defeat one man that is prohibited.

Mr. MAGNUSON. As a practical matter what happens in these cases I will say to the Senator from Ohio, is much like what happens when one joins a lodge. The lodge dues include for the most part subscriptions to a lodge paper. The same is true with many labor groups. They publish so-called labor organs, and a part of a member's dues goes to subscribe for the labor organ. If such an organ were not published the member's dues would be correspondingly less. The amount which would otherwise go to pay for a subscription to the organ would

be subtracted. But now unions collect the subscription along with the dues.

Mr. TAFT. The case is the same as the case of a corporation house organ. A corporation house organ is published and sent out to employees, sometimes many thousands of them. A corporation which used such a house organ to try to elect or defeat a political candidate would certainly be violating the law, in my opinion. Such a law has been in existence 25 years. What we are now doing is to write into the law the same prohibition with respect to labor organizations as now exists with respect to corporations.

Mr. MAGNUSON. Teamsters' unions publish newspapers dealing with matters in which such unions are interested. The same is true of many other unions. If the pending measure become a law, from now on such unions will be prohibited from advocating in their newspapers the support of any political candidates.

Mr. TAFT. That is correct, unless they sell the papers they publish to their members, if the members desire to buy them. In such a case there would be no expenditure for such a purpose of union funds.

Mr. MAGNUSON. Let us consider the teamsters. Suppose they have a weekly radio program, as, indeed, they have had for a long time back. Or let us say the AFL has such a radio program. Let us assume I am running for office and they ask me to be a guest on their program. Suppose I talk

on the subject of labor and do not advocate my own candidacy. Nevertheless I am on that program. My name is being advertised, and I am being heard by many thousands of people. Would that be an unlawful contribution to my candidacy?

Mr. TAFT. If a labor organization is using the funds provided by its members through payment of union dues to put speakers on the radio for Mr. X against Mr. Y, that should be a violation of the law.

Mr. MAGNUSON. They are not paying me anything. They have asked me to be a guest.

Mr. TAFT. I understand, but they are paying for the time on the air. Of course, in each case there is a question of fact to be decided. I cannot answer various hypotheses without knowing all the circumstances. But in each case the question is whether or not a union or a corporation is making a contribution or expenditure of funds to elect A as against B. Labor unions are supposed to keep out of politics in the same way that corporations are supposed to keep out of politics.

Mr. MAGNUSON. Let us take the reverse situation. Suppose the General Electric Co. asked me to be its guest on its Sunday afternoon hour to talk about electrical matters. I am running for office at the time. I am introduced on their program.

Mr. TAFT. Oh, the Senator is running for office at the time?

Mr. MAGNUSON. Yes.

Mr. TAFT. O, I do not think that would be a contribution.

Mr. MAGNUSON. It would not be.

Mr. TAFT. There are many useful things done which do not represent contributions. Many Senators like to obtain publicity, and all sorts of indirect aids are given which cannot properly be said to be political contributions or expenditures. In each case the question of fact must be decided.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. BARKLEY. The Senator does not mean to say, does he, that anything that would contribute to the election of the Senator from Washington to the Senate would not be a valuable contribution.

Mr. TAFT. It would be contribution to the Senate, but perhaps not to the Senator from Washington.

Mr. MAGNUSON. Mr. President, if the Senator will yield, let me ask him another question. All the funds of labor unions come from dues paid by their members. All the activities of the unions are based upon expenditure of funds provided by dues. That money is in the union's treasury. If the pending bill should become law it would mean that all labor organs which are now in existence would, from now on, be prohibited from participating in a campaign, favoring a candidate, men-

tioning his name, or endorsing him for public office?

Mr. TAFT. No; I do not think it means that. The union can issue a newspaper, and can charge the members for the newspaper, that is, the members who buy copies of the newspaper, and the union can put such matters in the newspaper if it wants to. The union can separate the payment of dues from the payment for a newspaper if its members are willing to do so, that is, if the members are willing to subscribe to that kind of a newspaper. I presume the members would be willing to do so. A union can publish such a newspaper, or unions can do as was done last year, organize something like the PAC, a political organization, and receive direct contributions, just so long as members of the union know what they are contributing to, and the dues which they pay into the union treasury are not used for such purpose.

Mr. MAGNUSON. I think all union members know that a part of their dues in these cases go for the publication of some labor organ.

Mr. TAFT. Yes. How fair is it? We will assume that 60 percent of a union's employees are for a Republican candidate and 40 percent are for a Democratic candidate. Does the Senator think the union members should be forced to contribute, without being asked to do so specifically,

and without having a right to withdraw their payments, to the election of someone whom they do not favor? Assume the paper favors a Democratic candidate whom they oppose or a Republican candidate whom they oppose. Why should they be forced to contribute money for the election of someone to whose election they are opposed? If they are asked to contribute directly to the support of a newspaper or to the support of a labor political organization, they know what their money is to be used for and presumably approve it. From such contribution the organization can spend all the money it wants to with respect to such matters. But the prohibition is against labor unions using their members' dues for political purposes, which is exactly the same as the prohibition against a corporation using its stockholders' money for political purposes, and perhaps in violation of the wishes of many of its stockholders.

Mr. MAGNUSON. I do not question why they should do this or should not do that. I am trying to find out what practical effect the provision may have on existing labor organizations. Let me ask the Senator from Ohio a further question. Would the provision in any way deny the right of a religious organization to publish pamphlets in behalf of a candidate because, let us say, the organization supported him on moral grounds?

Mr. TAFT. If the organization is a corporation, I assume it could not do so directly. If the organization publishes religious papers that it can sell, that is all right; but the organization cannot take the church members' money and use it for the purpose of trying to elect a candidate or defeat a candidate, and they should not do so.

Mr. MAGNUSON. Would the Anti-Saloon League, for example, be prohibited from issuing pamphlets against a political candidate?

Mr. TAFT. As I understand, the league would probably receive contributions from individuals, and it would be like the PAC or any other organization which was organized for political purposes.

Mr. MAGNUSON. The Anti-Saloon League could use the dues paid by its membership to publish a pamphlet in behalf of a certain political candidate?

Mr. TAFT. Mr. President, I must know the circumstances before I can pass upon the question. Different circumstances may arise in different cases. Any unincorporated organization can collect money from individuals for almost any purpose, and if the individuals who pay the money agree, the money can be used for purposes designated by the organization. There is no prohibition against using such money for political purposes.

Mr. MAGNUSON. My point is that all other organizations except corporations

and labor unions can use the dues of their membership to publish any sort of pamphlet or publication on behalf of a candidate for public office.

Mr. TAFT. What kind of an organization does the Senator mean? Is it incorporated? Where does it obtain its money? All sorts of questions arise in

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every case, and I cannot answer without knowing the circumstances.

Mr. MAGNUSON. I said any organization but corporations and labor unions can do such things, but they are prohibited to those two organizations.

Mr. TAFT. Yes, that is correct, and if any abuses arise with respect to other organizations we can extend the provision of law to the other groups.

(93 Cong. Rec. 6445)

(Excerpts from summary by Senator Taft of the provisions of the bill.)

Restrictions on political contributions: The House bill contained a provision making permanent the provisions which were contained in the War Labor Disputes Act whereby labor organizations were prohibited from making political contributions to the same extent as corporations. In addition, this section extended the prohibition, both in the case of corporations and

labor organizations, to include expenditures as well as contributions. Moreover, expenditures and contributions in connection with primary elections and political conventions were made unlawful to the same extent as those made in connection with the elections themselves.

There was no comparable provision in the Senate amendment. The conference agreement in Section 304 adopts the provisions of the House bill, with one change. Under the conference agreement, expenditures and contributions in connection with primary elections, political conventions, and caucuses are made unlawful to the same extent as those made in connection with the elections themselves. As a clarifying change, the definition of a labor organization has been set forth in full rather than incorporating the provision of the National Labor Relations Act.

(93 Cong. Rec. 6446)

Mr. TAYLOR. I should like to ask the Senator from Ohio a question. In two sessions of the Congress I have introduced a bill providing for the printing of the voting records of Senators and making them available to the people on the payment of their actual cost. The bill has gotten no place. It has not been reported. We are not going to permit a labor union to print the voting records

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of Senators. How are people to find out how we voted?

Mr. TAFT. Surely the Senator has something besides labor organizations in the State of Idaho. He must have other friends. Any individual friends of the Senator can publish the same thing. The question merely is whether in political campaigns we are going to permit labor unions or corporations to use funds which they have accumulated for some other purpose to elect or to defeat a presidential candidate.

Mr. BALL. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. BALL. I do not think there is a single thing in the bill which prohibits any union or corporation or anyone else from printing any public official's voting record. That is not a campaign for or against a candidate. It is simply the printing of public information.

Mr. TAFT. I was thinking of the way most of the labor organizations are on record. They do not, as a rule, merely print facts.

Mr. BALL. The Senator was thinking of the PAC?

Mr. TAFT. Yes.

Mr. TAYLOR. Mr. President, will the Senator yield further?

Mr. TAFT. I yield.

Mr. TAYLOR. I should like to return to the question, because I think it is important. Take the matter of a radio program sponsored by either a union or a corporation. I think the AFL or the CIO, one or the other, has a news commentator who comments on the news. Could he comment on political candidates favorably or unfavorably?

Mr. TAFT. If the General Motors Corp. had a man speaking on the radio every week to advocate the election of a Republican or a Democratic Presidential candidate, the corporation ought to be punished, and it would be punished under the law. Labor organizations should be subject to the same rule.

Mr. TAYLOR. That is altogether different. It is a more subtle thing. When a commentator is broadcasting the news every day he can do a lot more good or harm to a man by coloring his broadcast and presenting it in the guise of a news commentary than he could openly.

Mr. TAFT. The Senator is right. It is a question of fact which would have to be raised in every case. Is it a contribution to a candidate or is it not? Possibly a knock is a boost sometimes. That argument might well be made by a person who was taking part in an election.

Mr. TAYLOR. I should be happy to have him mention my name at any time, in any capacity, good or bad. There will be some

very fine definitions required. I am afraid we shall wind up with our radio commentators absolutely hamstrung if they are sponsored by anyone.

* * * * * *

Mr. KILGORE. Getting back to the subject of radio broadcasting about which we have been talking, I note that the bill uses the words "employer associations," "corporations," and "national banks." I am wondering if an association such as the National Manufacturers' Association, the National Coal Association, or the Association of American Railroads, could sponsor radio broadcasts or advertise in a political way on behalf of the political program. All advertising of that nature is not necessarily for a candidate. It may be for the platform of a party, or something of that nature.

Mr. TAFT. The question is, again, a question of fact. We have had a law against contributions by corporations for years.

Mr. KILGORE. I realize that.

Mr. TAFT. The question as to whether it is in connection with an election I suppose depends on how close it is to the election; how closely it is tied in with something which is a direct issue of the election. It is a question of fact in each case. We did not change the law in that respect.

Mr. KILGORE. I fear I did not make my question clear. Organizations such as, let us say, the National Coal Association, the National Association of Manufacturers,

and other similar organizations are not corporations. It is true that they have both individual and corporate members.

Mr. TAFT. When that question was asked here before, I answered it by saying that if an association of manufacturers accepts contributions from corporations and others that violate the laws by making contributions for political purposes, I think it will be an accessory with those corporations and will be liable under the act. I stated that before as my opinion.

Mr. KILGORE. I know the Senator from Ohio did. But suppose the association makes annual assessments on each member, be he either an individual or a corporation, and sponsors a radio program of the sort we are discussing.

Mr. TAFT. I still think that would be the use of funds for political purposes; that would be contributing and assisting in that general result.

Mr. KILGORE. Of course, that was the opinion of the committee.

Mr. TAFT. Yes; and it is my opinion. The same thing is true, let us say, of the PAC, if the PAC collects funds from labor unions, rather than from individuals.

Mr. KILGORE. Yes.

Mr. TAFT. The PAC has ordinarily collected its funds from individuals.

Mr. KILGORE. Yes.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. PEPPER. I wish to ask the Senator from Ohio whether he agreees with the Senator from Minnesota [Mr. Ball], who just expressed the opinion that if a labor organization used its funds to disseminate the voting record of a candidate for office, during the time of the campaign, that would not be unlawful. Does the Senator from Ohio agree with the Senator from Minnesota that that would not be unlawful, because it would not be an expenditure in connection with an election in which certain candidates or political parties are involved?

Mr. TAFT. I think it would depend upon all the circumstances in the case. If it was merely a bare statement of actual facts and simply direct quotations of what the man had said in the course of certain speeches on certain subjects, and was not colored in any way, I would rather agree with the Senator from Minnesota. But I think it would depend, in each case, on the character of the publication.

Mr. PEPPER. Of course, the language is "in connection with." The provision does not contain any statement as to whether the statement is colored or not. The words simply are "any expenditure in connection with an election." I do not see how the Senator could say that the publication of a voting record, in the midst of a campaign, was not an expenditure in the midst of an election.

Mr. TAFT. That is not a very practical question, because no one would do just that. Either it is an argument for him or against him, or it is not.

Mr. MURRAY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. MURRAY. I should like to inquire what would be the situation in a case in which an industrial organization has a chain of newspapers which obviously are operated for political purposes,

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and which have a deficit at the end of each year, which is made up by the corporation, the newspapers being used for purposes of advancing the political interests of the corporation, influencing elections, and advocating the election of certain favored candidates. What would be the situation in such a case, under this provision of the bill we have been considering?

Mr. TAFT. I think that corporation had better be careful. It is a more difficult case to prove, as the Senator realizes, because the contribution is indirect. But if I were an attorney for such a corporation, I would advise that corporation to be very careful, and that it might very easily be found to be violating the law.

Mr. MURRAY. Of course these corporations are very well versed in the legalities, and generally they organize such news-

papers as separate independent corporations. So it is very difficult to discover just who is operating them, what their expenditures are and where their financial support comes from.

For instance, I made inquiry from the Securities and Exchange Commission in an attempt to discover the status of a great string of newspapers in my State. I wished to learn where the money comes from for their operation and how it is expended and who pays the deficiency. But I could not get any information from that source. It will be very difficult to discover what the real situation is in such cases.

Yet great corporations can operate in that manner, whereas a labor union publishing a newspaper, will not under this bill be able to carry any information to its members in connection with the elections, either by printing the records of the candidates or advocating the election of certain candidates.

Mr. TAFT. Those are questions which may be difficult of proof, just as it may be difficult to prove who may be paying the deficits of the Daily Worker. Those things are always defects in any law. But I think if they were actually pinned down and proved, they probably would be found to be violations of the law. That would be my impression.

Mr. MURRAY. But of course it is obvious that the unions would be at a great disadvantage under this bill, because these large

corporations can control all the weekly newspapers throughout a State, by placing lucrative advertisements with them. That is a practice in Montana and many other States. The corporations can give contracts for advertising purposes to all the weekly newspapers, and thus can have their support in the elections and in the campaigns involving economic issues. Under this provision, the unions will be entirely confined to publishing newspapers that do not carry any information or propaganda advancing their interests.

Mr. TAFT. Probably the Senator from Montana saw that the American Federation of Labor has announced the spending of $1,500,000. So it is not wholly without funds to advertise in opposition to the measure which is now before the Senate.

So apparently large sums of money are available on both sides.

The PRESIDING OFFICER. The question is on agreeing to the conference report on House bill 3020.

Mr. Morse obtained the floor.

Mr. MAGNUSON. Mr. President, if the Senator from Oregon will yield to me, I should like to make a brief statement on the point which has just been under discussion. Much has been said to the effect that the purpose of this measure is to equalize the opportunities of corporations and labor unions. The provision we now are considering makes the situation entirely unequal, as the Senator from Montana has

pointed out. As he has stated, a string of newspapers is operated in his State, and most of them operate at a deficit. In many cases the deficit is made up by a large corporation that is up to its ears in politics all the time. Those newspapers can be published for 365 days a year and can be absolutely under the direct control of that large corporation, and can make deprecatory statements about the candidates for public office, and can do so as much as they wish to do, whereas the union, which obtains its funds only from dues paid by the union members, will not be able to engage in such activities. Of course, the union could obtain voluntary contributions for that purpose, but it is very difficult to operate a newspaper day in and day out on the basis of voluntary contributions. So in such a case the unions will be penalized, and so will similar organizations which collect their money from dues. A labor organization presumably is a collection of individuals for non-profit purposes, whereas a corporation is set up for profit, and we have always considered the two to be different.

Let us consider the National Grange, for instance. I do not think it should be denied this privilege. It obtains its funds by means of the collection of dues. The National Grange or the national cooperatives or any other national organizations which obtain their funds by means of the payment of dues will be able to use those

dues to put out all the political propaganda they wish to put out, whereas a labor union, which also is a collection of individuals, presumably for nonprofit purposes, will not be able to do so.

Thus we see that in this case the pendulum has swung too far the other way. I do not deny that in some cases it is necessary to equalize the two relative positions, but surely this proposal is a blow against the right of labor-union members to express their will through their own voluntary organization. It will be practically impossible for labor-union members to do so, whereas the corporations will be able to do so by various means, and they have done so in times past.

If this measure becomes law, it will mean that the voices of corporations in politics in the United States will be far stronger than the voices of labor unions. In itself, that is sufficient basis for a veto of this measure.

Mr. MORSE. I thank the Senator from Washington [Mr. Magnuson] for his excellent contribution to this debate. I agree with him completely. I can well imagine why the politicians who are so strong for this bill want to prevent labor unions from participating in political campaigns. However, such attempts to weaken the political strength of labor will only serve to make the workers of this country more convinced than ever that

they must take a very active part in politics if they are to protect their rights and freedoms.

Mr. PEPPER. Mr. President, if the Senator will yield to me for a moment, let me say that the provisions of this measure overlook the essential differences between corporations and labor unions. A corporation is a person, but is not a citizen, under the laws of the United States. A corporation is entitled to the protection of its property, but it cannot vote, because it is not a citizen, in the sense that a person is a citizen. A labor union is not a corporation, it is simply an unincorporated association of people. In legal character, it is no different from a lodge, or a church, or the WCTU, or any other organization of human beings who get together to further their common good. Therefore, when labor unions are working together, through their own instrumentalities, they are simply working for the furtherance of the welfare of citizens of this country; and citizens were not created to make money. That is the reason why corporations are created.

I should just like to have leave to quote, as I quoted once before, what the late Chief Justice Taft said about labor unions:

"Labor unions are recognized by the Clayton Act as legal when instituted for mutual help and lawfully carrying out their legitimate objects. They have long been thus

recognized by the courts. They were organized out of the necessities of the situation. A single employee was helpless in dealing with an employer. He was dependent ordinarily on his daily wage for the maintenance of himself and family. If the employer refused to pay him the wages that he thought fair, he was, nevertheless, unable to leave the employ and to resist arbitrary and unfair treatment. Union was essential to give laborers opportunity to deal on equality with their employer. They united to exert influence upon him and to leave him in a body in order by this inconvenience to induce him to make better terms with them. They were withholding their labor of economic value to make him pay what they thought it was worth. The right to combine for such a lawful purpose has in many years not been denied by any court."

Mr. President, this prohibition, therefore, is denying to citizens of this Nation the right of free press, the right of free speech, the right of disseminating information of public value. It is a chain upon the citizens' activity, and we well know that these labor organizations are composed of working people. They do not have people who are their members who can contribute hundreds of thousands or millions of dollars to political campaigns. They have to do it collectively. So they are denied the privilege of collective expres-

sion in political campaigns and are being discriminated against in favor of the corporations of the country.

Mr. MORSE. The Senator from Florida [Mr. Pepper] is right in what he says. This bill is a device for making unions so weak that they cannot carry on effective collective bargaining.

(93 Cong. Rec. 6522)

Mr. PEPPER. * * * Mr. President, I now pass on to the subject we discussed here yesterday, namely, restrictions on political contributions. I am almost disposed to designate that section as the "political insurance section of the Republican Party," because it looks a little as if the Republicans, who are claiming the authorship of this legislation, would like very much to be protected against the circulation by the labor unions of material and information crediting them with the responsibility for this legislation. If this is good legislation, I should think the widest dissemination of knowledge about it would be in the public interest; yet, as the Senator from Ohio advised us yesterday, the railway labor executives at the present time, publishing, with their money, a newspaper called Labor, accustomed to put out a special edition of that newspaper, if they want to, in a political campaign could not put out such a paper, because it would be an expenditure which is prohibited under the provision of

this section. Now, I want to read section 313:

"It is unlawful for any national bank, or any corporation organized by authority of any law of Congress, to make a contribution"—

Such contribution was forbidden by the Senate bill, but the conferees have added the words all the way through in this section—

"or expenditure"—

That is very important—

"in connection with any election to any political office, or in connection with any primary election or political convention or caucus held to select candidates for any political office, or for any corporation whatever, or any labor organization to make a contribution or expenditure in connection with any election at which Presidential and Vice Presidential electors or a Senator or Representative in, or a Delegate or Resident Commissioner to Congress are to be voted for, or in connection with any primary election or political convention or caucus held to select candidates for any of the foregoing offices, or for any candidate, political committee, or other person to accept or receive any contribution prohibited by this section."

Furthermore, the Senator from Ohio said yesterday that Mr. William Green could not go on the radio if he wanted to, next year in the presidential election, if the able

Senator from Ohio should be the Republican nominee, and President Truman who, I hope, will veto this bill—should be the Democratic nominee, and say "I call on the workers of America to vote for the Democrats, because they are friends of labor." Under section 313 he could be put in jail if he tried to do that. Not only that, but the Senator from Ohio said yesterday that he could not print and disseminate among his friends a pamphlet telling them to vote for Democrats. Oh, no; he could not use any union dues in that way.

Again, Mr. President, the Senator from Ohio is considering a group of citizens banded together for their common benefit as he would consider a corporation created for profit, and he is treating the person who is a citizen like the heartless corporation that may sometimes be considered a synthetic person. So it is rather striking that the Republicans think no higher of a citizen than they do of a corporation, in respect of his rights and privileges.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. TAFT. I want to point out again that this is word for word the bill recommended by the Democratic Committee on Campaign Expenditures, which examined the campaign expenditures last year, headed by the distinguished Senator from Louisiana, with the distinguished Senator, I think, from

Oklahoma [Mr. Thomas], and one other Democratic Senator, besides the Senator from Louisiana [Mr. Ellender], and the Senator from South Carolina [Mr. Maybank].

Mr. ELLENDER. And the Senator from South Carolina [Mr. Maybank].

Mr. TAFT. And the Senator from South Carolina [Mr. Maybank]. They recommend exactly this provision in a separate bill now pending before the Senate, so that it can hardly be said to be of purely Republican origin.

Mr. PEPPER. Mr. President, the Senator, I think, can hardly mean that. I want to call his attention to a difference. The Democratic recommendation did not contain the words "or expenditure."

Mr. TAFT. Yes; I think it did.

Mr. PEPPER. No. I ask the Senator from Louisiana. Did it contain the words "or expenditure"?

Mr. TAFT. In our bill; yes.

Mr. PEPPER. No; but the present law does not contain them.

Mr. ELLENDER. The present law does not contain those words.

Mr. PEPPER. It did not contain them?

Mr. ELLENDER. That is correct. But the bill I introduced on behalf of myself and the distinguished Senators from Oklahoma [Mr. Thomas], South Carolina [Mr. Maybank], New Hampshire [Mr. Bridges], and Iowa [Mr. Hickenlooper] contains language identical to the language that ap-

pears in the pending bill. It is verbatim, as a matter of fact. Permit me to further observe that the language is the same as that now incorporated in the Corrupt Practices Act of 1925, with the exception that the words "or expenditures" have been added and also language to cover primary elections, conventions, and caucuses has been added.

Mr. PEPPER. There may be just a few erring Democrats, but we never did pass that law. The Senator might have recommended it, but it was never enacted into law.

Mr. ELLENDER. The bill is now before the Rules and Administration Committee of the Senate and I think it will pass the Senate, if and when it is reported for Senate consideration.

Mr. PEPPER. But it never became a law?

Mr. ELLENDER. No. The Senator is correct.

Mr. PEPPER. Yes; and the difference is very important. It affects the right of the citizen to go forth and advocate the candidacy of whomever he may choose.

Mr. ELLENDER. May I say to the Senator from Florida it is only in the event that union funds are used for political contributions that a union becomes liable. Mr. Green can talk all he wants to, if he pays for his own time or if the members of the union desire to make individual contributions for such a purpose. For another

thing, most unions operate and manage newspapers, and the most of them are maintained by advertisements or by subscriptions from members of the union and from other sources. The proceeds from such newspapers are not union funds. In such cases these newspapers can print anything they desire, and they will not violate the law, so long as union funds are not used to pay for the operation of those newspapers for political purposes.

Mr. PEPPER. The Senator from Ohio apparently did not think so yesterday when the Senator from Washington was interrogating him.

Mr. ELLENDER. I do not recall. May I say to the Senator from Florida, it is only in case union funds are used for political expenditures that unions become liable. That is where the prohibition comes into play.

Mr. PEPPER. Very well. Let us see if the statute says anything about dues. It says the criteria are, first, a labor organization; second, an expenditure. It does not say whether they have to be dues or funds they received from advertising. I should like the Senator to point out the word "dues" to me in the section I have just read—section 315.

Mr. ELLENDER. I did not mention dues. I referred to union funds. If the newspaper is owned by the labor organization and maintained by union funds

(93 Cong. Rec. 6523)

there would be a violation if the proceeds of such a newspaper were used for political purposes.

Mr. PEPPER. There is nothing about dues in this section.

Mr. ELLENDER. The Senator is correct. I never made such a contention. It would be an expenditure by the newspaper itself. This provision makes prohibition against the use of dues paid by members of labor unions in order to aid any particular candidate. In other words, if the dues are paid to the union and become a part of the union's assets, then such dues cannot be used for political contributions.

Mr. PEPPER. The best way to clarify the matter is to read the language:

"It shall be unlawful for any * * * labor organization to make a contribution or expenditure in connection with any election for any political office."

Mr. ELLENDER. Where does the labor organization obtain the money which it spends for such purpose? If it obtains it from its members and such funds become a part of the union's assets, then they cannot be used for political purposes unless the law is violated.

Mr. PEPPER. How does the labor organization obtain the money? The organization may get it from one source or another. It may get it through gifts, subscriptions, or in other ways except by dues. That is

not the point in this measure. The point here is that the money belongs to the union, and the union spends it regardless of where it obtains the money. If one of its members contributed money to the union for the purpose of paying for a radio speech in behalf of a political candidate or of a political party, and the union spent the money for that purpose it would be subject to the criminal penalty provided in this section.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. KILGORE. Is it not the experience of the Senator from Florida with reference to union publications such as those put out by the railroad brotherhoods, Labor, and others, that the publications are not paid for by the members through subscriptions, but the publications are sent to the members because a part of their dues pay for the publication? In other words, in most cases the publications are mailed free by the organizations to the members of the union, because of the fact that they are dues-paying members.

Mr. PEPPER. Their dues go into a common fund; yes.

Mr. President, the bill presents an anomolous situation. I think it denies the right of free press. I think if a labor union, as an unincorporated association of citizens, wants to endorse a political candidate, if it wants to put out special issues of its newspaper to appeal to the American

people to vote for the candidate, the union should have the right to do so, and a denial of that right is a denial of a constitutional right of which Congress cannot deprive anyone.

The union is not a corporation. A corporation does not have the right of the citizen to vote. Citizens have the right to vote. If a group of citizens should want to pay dues to their union and say to its president, "Use this money to pay someone to speak for us, to protect labor against this calumny" the provision of the bill would deny that privilege. I claim that is a denial of the right of a citizen to give his money to a common fund to protect his political and economic rights.

Mr. KILGORE. Mr. President, will the Senator yield again?

Mr. PEPPER. I yield.

Mr. KILGORE. I should like to suggest another parallel case to the Senator. The Senator knows that subscribers to newspapers do not always agree with the political expressions contained in their editorial columns. The Senator has spoken of the freedom of the press. I agree with the Senator's statement in that respect. It is contended that a labor union cannot use the dues of its membership for political purposes unless 100 percent of the membership should endorse the use that is proposed to be made of the fund. Would it not be just as fair to say that

a newspaper should not publish an editorial expressing its views on a political subject unless 100 percent of the subscribers to the newspaper endorse the editorial?

Mr. PEPPER. That is certainly a fair parallel. I will go further than that. I do not want to impugn anyone's personal motives in any sense of the word, but I say that since labor, since the working people of this country, became articulate under the administration of Franklin D. Roosevelt, since they learned to work together to meet the danger and menace of slush funds which corporations can find a way to put into the hands of a favorite, there has been a determined effort on the part of certain individuals in Congress, as well as outside, to strike down the power of workers acting cooperatively through their unions. I cannot but regard the provision in the bill to which I am addressing myself as an expression of that sentiment. It has the effect of stifling and suppressing the legitimate political activity of a substantial part of the citizenry of America.

Mr. President, there are 15,000,000 labor union members in America. If there are four members to each family, which is the average American family, these union members are the spokesmen and the bread winners for 60,000,000 Americans. So, to do anything which will impair their right as citizens to write and to speak their views about their Government is a denial not

only of labor's rights, but a denial of the fundamental constitutional right of the citizenry of this land.

The laboring people are poor people. They do not have in their membership rich stockholders, rich directors, rich executives. They pay decent salaries to their leaders, and I think they should. I think a few of the top labor leaders may get more than $25,000 a year. Probably not more than a dozen or say two dozen receive more than that amount. But I am saying that they are representatives of workers and that the membership of the union is composed of workers. They do not have large expense accounts which they can pad and use in political campaigns. They do not own the newspapers of America as, by and large, corporations do, 80 percent of which consistently fought Franklin D. Roosevelt. They cannot work through corporate machinery and exercise its many and multitudinous pressures to achieve their ends. If they do anything they have got to work together through the instrumentality by which alone they can cooperate, their unions, and if that power can be struck down, the political manifestations of the masses of the people of America can be strangled, and when they are taken advantage of, they will be unable to protest effectively in the political forum.

I have said that under this provision of the bill they could not put out a special

edition of the union newspaper. I am not at all sure—and there was some question about it yesterday when the Senator from Washington [Mr. Magnuson] interrogated the Senator from Ohio [Mr. Taft]—I am not at all sure that a labor newspaper can give a political endorsement to a candidate without violating the stringent provision of the bill and at least subjecting themselves to suits or to criminal prosecution. They cannot have radio speeches paid for out of union funds for union purposes. They cannot even exhibit information to their members that might be in the nature of a pamphlet. That was stated yesterday in the debate. To deny them the right to give their honest views about candidates to their members, and use their common funds with which to do so, seems to me a dangerous strangulation of civil rights of the citizenry of America.

It was said yesterday that these prohibitions apply to the Association of Manufacturers; that they will apply, for example, in my State to the Associated Industries, which denounced me in about every other pamphlet it sent out to its membership, paid for by corporate contributions to that association. But believe me, that organization will find ways to avoid the penalties of this provision. The corporate contributions in this country will not be checked or strangled. And they are not trying to clean up the politics of America, either.

A study of some of the past presidential elections will disclose how much the du Ponts contributed to the Republican campaigns, how much the General Motors Corp., President Sloan and others, contributed, and how much Joe Pew and his association contributed. Such a study will reveal how much the Rockefellers and the great rich families of America who own the corporations of America or dominate them, contributed. Oh, they will still have a full war chest to contribute to the Grand Old Party when election time comes, Mr. President. Of course, it will cost them a little less if the workers are strangled so they cannot put up some contributions. The large contributors will gain a little from the enactment of this provision.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. KILGORE. May I suggest that the Senator from Florida go one step further and discuss the question of the annual bonuses paid out in election years to directors and high-ranking officials of

(93 Cong. Rec. 6524)

corporations. Every one knows the way they get around the prohibition against corporate contributions, by simply declaring bonuses to certain officials, which can be used for political purposes. That loophole has not been closed, I may suggest to the Senator from Florida.

Mr. PEPPER. Chess is a fairly complicated game, but there will never be on any chess board as many means by which to attain an objective as there are corporate devices by which to achieve the objective the Senator from West Virginia has spoken of.

(93 Cong. Rec. 6530)

Mr. KILGORE. * * * Let us recur to the question whether or not the bill would preclude unions from participating in politics.

Let us consider the railroad brotherhood. I do not think anyone will question that they are a fairly conservative organization. They have legislative committees selected by the membership, and those legislative committees meet prior to an election. They analyze the legislative records of all the candidates on both tickets, and, they will not recommend an individual who has no legislative record. He must have had one before they will endorse him. Based upon such record they have in the past sent to their membership their recommendations with reference to various candidates running for national and State offices. Under the pending bill they could not spend the money for postage stamps to send out such recommendations. They could not spend the money necessary to print such a recommendation, which is an official action of an official group of their own body elected by

them to perform a specific duty. They are precluded from doing that. I can see no way in the world, under the provision in the bill with respect to expenditure, that they could do so. It is not merely a question of radio talks. There is involved their right to hold meetings, to study the relative merits of candidates in elections, to study the relative merits of programs of parties, to decide which platform measures up the best in their belief, and to make known their decision.

Mr. President, I think we are going several steps too far and we are going too far too fast. I think we are removing constitutional rights which belong to the people. A workingman is a constitutional person. A corporation is a legislative legal entity. I believe activities of corporations can be curbed much more easily than activities of a human being can be curbed, be he a laborer, be he a banker, or be he the president of a corporation, or a Member of the United States Senate.

The bill goes even further, Mr. President. It speaks of "associations of employees." It does not speak of "associations of employers." It does not speak of "associations of corporations." There are many loopholes which would permit expenditures by one side, but no opportunity is given for the worker to defend himself. That is what I fear with respect to the bill. I fear what will happen in the future under it. I fear, just as the Senator from Florida

said he feared, the ultimate crash that may result under it, the trend toward communism that may ensue.

EXCERPT FROM THE PRESIDENT'S VETO MESSAGE, RELATIVE TO SECTION 304. HOUSE DOCUMENT NO. 334, 80TH CONGRESS, 1ST SESSION, PP. 9 AND 10.

* * * * * *

9. *The bill raises serious issues of public policy which transcend labor-management difficulties.*

(1) In undertaking to restrict political contributions and expenditures, the bill would prohibit many legitimate activities on the part of unions and corporations. This provision would prevent the ordinary union newspaper from commenting favorably or unfavorably upon candidates or issues in national elections. I regard this as a dangerous intrusion on free speech, unwarranted by any demonstration of need, and quite foreign to the stated purposes of this bill.

Furthermore, this provision can be interpreted as going far beyond its apparent objectives, and as interfering with necessary business activities. It provides no exemption for corporations whose business is the publication of newspapers or the operation of radio stations. It makes no distinction between expenditures made by such corporations for the purpose of influencing the results of an election, and other expenditures made by them in the normal course of their business "in connection

with" an election. Thus it would raise a host of troublesome questions concerning the legality of many practices ordinarily engaged in by newspapers and radio stations.

Debates in the House Subsequent to the Veto of the Bill

(93 Cong. Rec. 7492)

Mr. Robison. * * *

This bill makes it unlawful for the officers of any corporation or business association to expend the funds of such corporation or association for political purposes for the election of a President, Vice President, Senator, or Representative. These funds belong to the stockholders, and the officers have been forbidden by law for years from using the stockholders' funds in an election for these Federal officers. This bill applies that same law to the officers of a labor union. They cannot use the funds of a labor union to aid in the election of Federal officers—President, Vice President, Senator, and Representative. These funds belong to the members of the union. The Congress is of the opinion that it is unfair to the members to use their funds to elect Federal officeholders. It was generally the case of some of the officers of the corporations or business associations belong to different political groups and not interested in the same man or party and, therefore, the law says that the officers can-

not use the funds of these stockholders as it is in many cases to help elect men to office who are opposed by the stockholders or some of them. In almost every instance part of the members of the union favor one particular candidate or party while the other members are opposed to such candidate or party, and the question arises—Is it fair for some two or three officers of that union to use the funds to help elect their particular candidate or candidates and use the money against the candidate or party of the other members?

The President urged that this provision is unfair to both labor and management and that we have no right to pass such a law. The laws as to corporations and associations have been on the books for many years. This will not prevent the publishers of labor papers and editors of such papers from expressing themselves freely whether they are a journal of business or labor. All of the lodges that I know anything about forbid the use of the funds of the lodge to aid any candidate or party. There again the funds belong to the members of the lodge and there is usually a division as to their political affiliations.

I might say that during all of my years of service I have never called on any business concern or labor organization to put any money into my campaign, and so far as I know they have never done so. They have at times spoken complimentary of me

and my record in their journals, and I think they have under this bill the right to do whatever they have done for me heretofore.

This, of course, does not limit in any way any officer or stockholder or any officer or member of a labor union from making such contributions out of his or her funds as is now provided by law to the candidate or party of his or her choice. The limitations of expenditures of the funds of corporations and others should have but one purpose and that is to make our elections as fair and clean as possible. I never heard one of our labor friends complain because the law forbids officers of corporations and business associations from making contributions to candidates or parties. All of us have agreed that has always been a good law as the great corporations could outspend the labor groups or individuals.

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DEBATES IN THE SENATE SUBSEQUENT TO THE VETO OF THE BILL

(93 Cong. Rec. 7372)

Mr. PEPPER. * * *

(Reading)

"Sec. 304 of the Taft-Hartley bill stands out as a direct assault upon free press and a violation of the constitutional guaranty of free speech. Under this section the funds of a labor union could not be used for the purpose of acquainting working men

and women with the voting record of members of Congress upon legislation in which labor may be deeply interested."

I will interpolate here to say that when this matter was being considered in the Senate I said that that should be called the "Republican political insurance section" of the bill, it looks as if they might have desired very strongly to curb the voice of labor in the next election.

(Reading) "Under this section, the funds of a labor union"—

As I read—

(Reading) "could not be used for the purpose of acquainting working men and women with the voting record of Members of Congress upon legislation in which labor may be deeply interested. This provision does not apply to unincorporated employers or trade associations. According to the Department of Commerce, there are some 2,400 trade associations, each comprising a combination of employers, and each made immune from these restrictions on political contributions. Farm organizations, cooperatives, and all unincorporated enterprises are free of the political ban imposed by the bill upon labor unions."

Let me interpolate at this point, Mr. President, that an organization of farmers can spend its money in a political campaign; it can put out literature; it can have radio speeches made. Would Senators who are the advocates of the pending measure

say that the Farmers Union, the National Grange, or the Farm Bureau Federation should not have the right to use their money to tell the American people that a political party or a political candidate is unfair to agriculture in America? Would Senators wish to vote for that kind of bill? Yet, Mr. President, while we do not deny that right to organizations of employers and to farmers' organizations or to other organizations, this bill singles out labor and says, "You cannot give your opinion in your editorial columns about a political party or a political candidate. You cannot make a radio speech and pay for it with union dues, saying a certain party or a certain candidate is unfair to labor. You cannot distribute literature. You cannot disseminate information, even among your membership, of what are the issues as you see them in a political campaign." All this the President points out in his message.

Mr. President, do Senators realize what that does to the fundamental rights of an American citizen? I want to state here and now, I believe that that section of this bill is in violation of the Constitution of the United States, that it will be stricken down in the courts; but it will cost labor a great deal of money trying to protect itself in the courts against the assaults that will be made upon its exercise of free speech and freedom of the press, under the section to which I have adverted in this bill. And so Mr. Green properly points out:

(Reading) "Farm organizations, cooperatives, and all unincorporated enterprises are free of the political ban imposed by the bill upon labor unions."

Now, Mr. President, I will state frankly what is behind this section. There are certain people in the politics of the United States who do not want the working people to be too articulate or too effective. In the past, it was the rich who put up the money in political campaigns. The reports of the United States Congress show, in campaigns of the past, how much the Pews, how much the Rockefellers, how much the Sloans, and how much the du Ponts and other of the rich families of America have poured into political campaigns. But there is something new that has happened in the last few years. The CIO came along with its Political Action Committee. They said that they had a right to take part in politics. They raised from their membership some money, with which they printed literature, they made radio speeches, they disseminated information to the American public, supporting the Democratic Party and men like Franklin D. Roosevelt in the great fight they were making to better the condition of the working people of America.

Now, they are not a corporation, mind you, Mr. President. What a corporation can do can be determined by the law of the State that grants the charter; but the State has no right to tell me, a citizen, what I

can do, except not to violate the law. There is a difference between a corporation, which is a person, and a citizen, who is a citizen. A corporation is not a citizen, yet advocates of the measure talk after this fashion: "We want to put the working employees and management upon the same basis." They propose to reduce the working men and women of America to the inanimate status of a body corporate. They want to strip them of the dignity of a citizen and the right of a citizen under our Constitution, and drag them down to the level of the corporation. Mr. President, a corporation is formed because men and women, the stockholders, do not want to be personally liable for the debts of the joint enterprise. It is a device to limit liability; that is what a corporation is. It is a means of working together, and a device to limit liability. Will it be said that justice is being done when working people are put in that class? Yet there are probably those who say, "We are going to put the corporation that owns the business in the same category with the workers, who are citizens of the country," hence in this bill they

(93 Cong. Rec. 7373)

are picking out a class of our citizens, denying them the rights of citizens to better themselves; just as, in a certain part of the bill, they outlaw what they call the secondary boycott.

That means that if a working man goes to another workingman's home and sits in his parlor in the evening and says, "Listen, you folks over there are working on a commodity which we produce in our plant, and you are helping our employer to become rich, and yet he treats us like dogs. Suppose we strike, quit working for him until he gives us recognition and a decent wage. Why do not you fellows help us by saying you will not work on what he turns out since he treats us as unfairly as he does?" The man who made such a suggestion would violate this law. A man could not even talk to his neighbor about what is best for the community and for the two families without violating the law, according to the provisions of the bill. The President of the United States has pointed that out in his veto message. That is the kind of bill with which we are dealing. That is the reason why I believe we are within our rights when we say that the American people who will be affected by that kind of legislation have the right to know what it is and what it does to them.

(93 Cong. Rec. 7376)

(Excerpt from summary of the bill placed in the record by Senator Pepper.)

* * * * * * *

Section 313 of the bill is admittedly outside of the scope of the Labor Management Relations Act of 1947, and stated to

so be on page 69 of the conference report. This device of injecting such a provision into legislation which purportedly is designed to improve labor-management relationships should certainly be condemned if this legislation is the result of a mandate such as that claimed by its sponsors. The provision relating to political activities clearly does not come within that alleged mandate. It is entirely unrelated to the other provisions of the act and is a matter which in fairness to all concerned should at least be subject to separate debate and consideration.

This section of the bill makes it unlawful for any labor organization to make a contribution or expenditure in connection with any election at which Presidential and Vice Presidential electors, or a Representative or Senator, or Delegate, or a Resident Commissioner to Congress will be voted for, including any primary election, political convention or caucus.

One of the important functions of a labor union is to educate its members in a variety of ways. To accomplish this purpose it is the practice of such organizations to issue magazines, newspapers, and periodicals which contain items of interest to the members of the organizations. Such articles include news items of importance to working people, instructions and lessons in the trade or craft or work in which such members may be engaged, reports of the activities being carried on by the various

unions and officers and representatives, etc. These magazines and newspapers are not published for political purposes and deal with political subjects only incidentally. During the periods immediately prior to primary elections and general elections the members of the union are obviously interested in the records which have been made by candidates for public office and the effect which the activity of these candidates may have had upon the rights and welfare of the working people. It has been the practice for labor organizations to furnish their members with tabulations of the voting records of representatives to Congress in connection with legislation which has to do with the welfare of employees. It

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has been the practice in these magazines to carry biographical sketches of certain candidates for public office and in addition thereto to publish what might be termed "editorial comment" with respect to the political and economic views of candidates. Unions conceive this activity to be a worthwhile program and a contribution to the improved citizenship of their members. Candidates for office or incumbents should have no objection to having the record which they have made in their high office furnished to the citizens whom they represent.

This bill would prevent labor unions from using their magazines for any polit-

ical activity, from issuing circulars or bulletins or any other type of information which requires any expenditure of money, if such expenditure may be attributed to political activity.

On the other hand the provisions of this bill not only make possible but encourage the indirect method of accumulating huge sums of money for political activity which is not restricted to the furnishing of information to the members of a given organization. It is perfectly proper under this bill for individual members of labor unions to make contributions to a political committee obviously designed to promote the interests of labor in any election.

There is no limit upon the amount which can be contributed to such a political committee and it may use these funds not for the education of the working people but for any other purpose it may desire. We submit that it is this kind of activity which may in the hands of the wrong individuals result in some corrupt practices. It is not the activity of unions in connection with their own members which could become corrupt.

Indeed this legislation merely emphasizes the common criticism of the restriction on expenditures by corporations in political campaigns. It is commonly known that corporations utilize the device of individual contribution by very wealthy persons to political committees and thus successfully and effectively and by the use of tremen-

dous sums of money influence the voting public either for or against a certain candidate.

Both because this bill does not accomplish the end sought to be accomplished in the prevention of any corrupt political activities and because it is so obviously unrelated to the avowed objectives of the Labor Management Relations Act of 1947, it should not receive the support of the Congress.

This effort upon the part of Congress to inject into this bill a provision designed to protect its Members from the consequences of their own votes in connection with it cannot be justified. It does not represent the forthright and honest approach to legislation which American citizens are entitled to expect from their representatives.

(93 Cong. Rec. 7389)

Mr. PEPPER. I am going to ask a question. I say that the President has stated in his veto message that this bill, if enacted, would forbid a union publication from editorially supporting or opposing a political party or a candidate in a political contest. Does the Senator from Idaho think that is in accord with the free press provision of our Federal Constitution?

Mr. TAYLOR. No; certainly I do not, Mr. President. I deplore those provisions in this bill.

Frankly, I am inclined to agree with the President that this thing may backfire, and all the radio commentators may find that they will be off the air, regardless of whether they work for a labor union or for some corporation. Indeed, I can see no good reason why a newspaper should be permitted to publish comments

(93 Cong. Rec. 7390)

about an election, if this bill becomes law, because the bill provides that no corporation can take part in an election, and certainly the average newspaper is owned by a corporation. The bill does not say anything about exempting a newspaper corporation.

Mr. President, inasmuch as the labor unions are, by this bill, forbidden to take any part in elections or political matters, either directly, indirectly, or in any other way, presumably the voters should vote for or against a Senator or a Member of the House of Representatives because of the way he combs his hair, the way he smiles, or perhaps even the efficacy of his technique in kissing babies, but certainly they would seem to be prohibited from voting in the truly American way on the basis of whether they favor or disapprove of the things for which the Members of Congress voted.

(93 Cong. Rec. 7452)

Mr. MORSE. * * *

So, Mr. President, I think I had better read the letter, rather than run any risk:

(Reading) "Dear Senator Barkley: In connection with the discussion of the Taft-Hartley labor bill (H. R. 3020), may I point out the following very serious aspect of one of its provisions which so far as we know has received no attention."

Mr. President, I digress from the letter long enough to say that I do not think that should surprise Mrs. Strauss. I imagine that there is quite a great deal in the bill that has not yet received any consideration. As the years pass by, if this bill becomes law, I think the lawyers will find newer and newer aspects of the bill which will receive, because of their diligent research, the serious consideration of a number of courts.

But, Mr. President, going back to the letter, Mrs. Strauss says further:

[Reading] "Section 304 of the bill forbids any corporation or any labor union to make a contribution or expenditure in connection with Presidential or congressional primaries or elections. The league has taken no position on the labor bill, either pro or con. However, we are informed by lawyers and experts who have worked on the legislation that this provision would apply to incorporated organizations such as

the League of Women Voters. I am sure you are familiar with the non-partisan election material, designed to stimulate a larger and more informed vote, which the league has been issuing for the past 27 years. This type of activity, which we consider of vital importance to the maintenance of a participating electorate, would, we understand, be prohibited by this section of the bill. This would affect not only the League of Women Voters but all other incorporated civic groups who have been accustomed to providing roll calls and other election tools for the benefit of the voter who seeks to cast an intelligent ballot."

[Reading] "We hope you may be able to point out to the Senate the extremely serious consequences which can emerge from such a stifling of our rights as active citizens."

(93 Cong. Rec. 7526)

Mr. O'MAHONEY. * * *

O Mr. President, let me take sufficient time to analyze another provision of the bill which has been completely misunderstood and misrepresented by the spokesmen for the bill. I was upon the floor of the Senate when the distinguished senior Senator from Ohio [Mr. Taft] told this body that the conferees had written into this bill a provision which would prevent labor organizations from spending the money of their unions to affect in any way a presidential election. I read the provision, and

when I read it I was amazed to find that there was not a word in it to support the interpretation given by the Senator from Ohio that this bill would prevent labor unions from publishing newspapers with their funds raised by dues but permit them to express political opinions in papers financed by subscriptions.

The PRESIDENT PRO TEMPORE. The Senator's time has again expired.

Mr. PEPPER. Mr. President, I yield to the Senator from Wyoming three more minutes.

The PRESIDENT PRO TEMPORE. The Senator from Wyoming is recognized for an additional 3 minutes.

Mr. O'MAHONEY. He said, in response to the Senator from Florida [Mr. Pepper], that the purpose of the bill was to permit labor unions to print newspapers if they did it by subscriptions. Let us see what is done. I will read from section 304 in regard to restriction on political contributions and expenditures. This is an amendment of section 313 of the Corrupt Practices Act:

"It is unlawful for any national bank, or any corporation organized by authority of any law of Congress, to make a contribution or expenditure"—

That is the new word used—

"in connection with any election to any political office"—

Observe that the language is "in connection with," not "to affect" any election—

"or in connection with any primary election or political convention or caucus held to select candidates for any political office, or"—

Observe this language—

"or for any corporation whatever, or any labor organization to make a contribution or expenditure"—

That is the new word "expenditure"—

"in connection with any election at which Presidential and Vice Presidential electors or a Senator or Representative in, or a Delegate or Resident Commissioner to Congress are to be voted for."

Observe these words, "any corporation whatever or any labor organization to make a contribution or expenditure in connection with" such an election.

Mr. President, if a labor organization is prohibited from making an expenditure in connection with a Presidential election or any other election, then by this language "any corporation whatever" is also prohibited from doing so. Corporations and labor organizations are treated precisely the same. The section is not a prohibition against expenditures to "affect or influence" an election but "in connection with" an election.

I said to the Chicago Tribune representative a week ago Saturday when he called me up, and I say to the Associated Press, the United Press, and the editor of every newspaper in the United States that is published by a corporation, that if this measure provides what the Senator from Ohio says it does, then not only are labor organizations prohibited from making expenditures "in connection" with an election but so also are any corporation newspapers. An expenditure which is made to send a correspondent to Philadelphia to report the next Republican Convention is an expenditure "in connection with" the next election and is prohibited.

Editors who want to override the veto may comfort themselves that the bill will not be enforced. But I say to them and to you that this is an example of the careless manner in which this bill has been drawn. It is only one of many mistakes. The bill should be rewritten.

This is a time for patience, industry, and tolerance. Let us sustain the veto and write a good bill.

TEXT OF SECTION 304, LABOR-MANAGEMENT RELATIONS ACT, 1947, AS ENACTED

RESTRICTIONS ON POLITICAL CONTRIBUTIONS

SEC. 304. Section 313 of the Federal Corrupt Practices Act, 1925 (U. S. C., 1940 edition, title 2, sec. 251; Supp. V, title 50,

App., sec. 1509), as amended, is amended to read as follows:

"Sec. 313. It is unlawful for any national bank, or any corporation organized by authority of any law of Congress, to make a contribution or expenditure in connection with any election to any political office, or in connection with any primary election or political convention or caucus held to select candidates for any political office, or for any corporation whatever, or any labor organization to make a contribution or expenditure in connection with any election at which Presidential and Vice Presidential electors or a Senator or Representative in, or a Delegate or Resident Commissioner to Congress are to be voted for, or in connection with any primary election or political convention or caucus held to select candidates for any of the foregoing offices, or for any candidate, political committee, or other person to accept or receive any contribution prohibited by this section. Every corporation or labor organization which makes any contribution or expenditure in violation of this section shall be fined not more than $5,000; and every officer or director of any corporation, or officer of any labor organization, who consents to any contribution or expenditure by the corporation or labor organization, as the case may be, in violation of this section shall be fined not more than $1,000 or imprisoned for not more than one year,

or both. For the purposes of this section 'labor organization' means any organization of any kind, or any agency or employee representation committee or plan, in which employees participate and which exists for the purpose, in whole or in part, of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours of employment, or conditions of work." (Public Law 101, § 304, 80th Congress, 1st Session, c. 120.)

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